



# THE

Arizona Department of Real Estate

# BULLETIN

April, 2006

Volume 32-Issue 2



## Changes in the Air!



The Arizona Department of Real Estate is always on a quest to improve delivery of services to its many licensees (80,210 as of March 3, 2006 but who's counting). One of the results of that quest was the Online License Renewal System (OLRS). In March 1,255 salespersons renewed and 232 brokers WOW!!

As many of the licensees that visit the Department can attest, there's still a considerable "wait" time! In order to better serve you, the Department will facilitate the following changes:

- The Department will continue to provide information and accept completed original applications (without any disclosures) including the hire form and process them. However, the key word here is **"completed"**! This will mean having all the necessary forms, signatures and documents on hand. These individuals will be issued a license on the spot!
- However, for those who have **"disclosures"** or have a deficiency in their application, the application will be returned to the individual with a checklist, marked to show what is missing. This will eliminate unnecessary waiting.
- Any application that has a **"disclosure"** may be left at the Department and staff will review it later. **Any one bringing in an application after 4:00 pm will be directed to leave it in the designated "drop" box.** There will be no exceptions.
- The number of staff at the front counter stations will be reduced so as to encourage licensees to utilize the OLRS. **On-line kiosks will be available** and a Customer Service Representative will act as a **Concierge** to provide assistance and review the application.
- If it is determined that the application is **complete**, that individual will be given a number for the Front Counter Customer Service or the person may leave the package in the designated drop box for processing. The Department will NOT accept a hire form and fee on an original application with disclosures, or a late-filed renewal with disclosure, unless and until the application is approved.

These changes will allow the Department to focus its resources on processing applications in the order in which they are received. These changes will be effective **May 1, 2006**. The Department realizes that with any change there is resistance; however, we feel that these changes will provide better and more efficient service to its licensees!☺

Inside this issue:

Changes in the Air	1
Kudos and Welcome to New Department Employees	2
Commissioner's Corner	3-4
Speed up Processing of your License Application	5
Flipping in Restricted Subdivisions	6-7
Do Subdivision Public Reports Expire	7
Business Brokerage Courses Available	8
Are Refunds/Rebates Legal	8
License Fees—Relatively Speaking	9
Consumer Alert! Here Comes the Weekend Warrior	10
Team Offices—Legal?	11
Substantive Policy Statements	12-13
Disciplinary Actions	14-28

## Our Mission

**The mission of the Department is to protect the public interest through licensure and regulation of the real estate profession in the State of Arizona.**



# KUDOS AND WELCOME TO NEW DEPARTMENT EMPLOYEES!



Janet Blair  
New Deputy Director for Auditing

On Monday, March 27, 2006 Janet Blair began her career with the Department. She replaced Lynda Gottfried, who retired in March after many years of service. Janet comes to the Department with extensive and varied professional experience. Ms. Blair was the Assistant Regional Manager for the Arizona Department of Economic Security/Office of Facilities Management. She has completed the 90-hour pre-licensing real estate program as well as Commercial Real Estate Property Management Certification Program.

The Department is fortunate to have Janet join us and wish her the best as she faces the challenges of her new position. ☐



Tami Grays  
Administrative Assistant

Tami Grays was hired on April 3, 2006 as the Administrative Assistant to Cindy Wilkinson, Director of Licensing and Professional Education Divisions. She has an extensive work history with subsidized rental assistance as well as being well versed in office management. She brings a very positive attitude to her new position! ☐



## NEW DEPUTY DIRECTOR APPOINTED FOR LICENSING & PROFESSIONAL EDUCATION DIVISION

Colin Austin has been selected as the Department's new Deputy Director of Education, effective April 10, 2006. Colin has considerable experience providing training on a variety of topics. He earned a Bachelor's degree in Human Resource Management, and is gearing up to pursue his Master's Degree. Colin was in residential real estate as a salesperson for eight years and is a Graduate of the Realtor's Institute. He first joined the Department staff as a Senior Real Estate Investigator in November 2004. Colin's experience with the Department, his real estate knowledge and experience, and background as a trainer, Colin is 'custom-made' for this position. We're thrilled to have him as the new Deputy Director of Professional Education Division. ☐

## Farewell to Lynda Gottfried

In March 2006 the Department bid farewell to Lynda Gottfried. She retired after many years of service to the Department as Deputy Director of Auditing. Lynda was very knowledgeable and a wealth of information for licensees, the public and fellow employees. We wish her the best! ☐



# Commissioner's Corner

*By Commissioner Elaine Richardson*



Arizona Town Hall  
Why Was I There?  
What Did I Learn?  
What Was The Outcome?

## Mission Statement

Arizona Town Hall is an independent nonprofit membership organization that identifies critical issues facing Arizona, creates the forum for education and exploration of the topic and fosters leadership development. By drawing upon Arizona's diversity of citizens, the Town Hall process promotes public consideration of these issues, builds consensus, and supports implementation of the resulting recommendations through its members.

Attendees who receive an invitation to attend Arizona Town Hall represent a healthy cross section of business leaders, government officials and the general public. One Hundred Fifty good folks came together at the Prescott Resort on Sunday, April 9<sup>th</sup>. The tone of the meeting was quickly established and the ground rules laid down by our Facilitator with the very first bite of our salads during the opening dinner. By desert time, there was no doubt that there would be no time for shopping, swimming, visiting in town or any version of sightseeing.

During that first evening, we were fortunate to hear from a very knowledgeable speaker who shared projections of where we are going, what happens if we do nothing (impossible) and how to avoid building mega-subdivisions and expecting current transportation infrastructure to be able to handle the new growth.

**Monday** -we were seated at breakfast by 7:00 a.m. where Governor Napolitano spoke to the group about the important work that could come from these three and a half days of intensive brainstorming and discussions. To paraphrase, the Governor suggested that years from now would our children and grandchildren look back and lament that we had an opportunity to build an economically viable and beautiful Arizona and did not, or could they look back and praise us for the innovative planning with consideration to important issues such as water, environment, transportation and alternative modes of moving people around the State easily. The Governor's forward thinking seemed to be the impetus for the theme of this Town Hall.

Five different meetings were held simultaneously with approximately 30 members participating in each committee. What a fabulous wealth of knowledge (conglomerate of brain cells) in each room from such a diverse group of business leaders and public officials. There was no partisanship evident in the meetings – there was no room for it. What a refreshing change from my past 14 years as a public official – I feel the work was the focus — not politics. (The only time politics arose was when there was a suggestion that would require legislative approval.) I will leave that discussion for another day!

A partial list of our discussions included public lands, subdivisions, tribal communities, energy alternatives, utility corridors, infrastructure, open spaces and water, water, water.

The morning was followed by a working lunch with 5 speakers who shared their views on a variety of pertinent and timely topics. Then, back to our meetings to flush out more solutions to some of the above issues.

*(Continued on Page 4)*



# Commissioner's Corner

*By Commissioner Elaine Richardson*



Continued from Page 3

Five o'clock in the evening came very quickly and the energy generated in our room was still high, even after many hours of ideas, suggestions, debates and discussions. Dinner followed with another dynamic speaker – then back to our rooms by 8:30 p.m. for preparatory reading or sleep!

**Tuesday**—Transportation, Infrastructure and Housing, Canamex Corridor, Rural needs and the dreaded T(Tax) word. This cross-section of Arizona leaders were not afraid to explore the T idea as a viable way of helping fund transportation needs which we all agree will only continue to bloat with the projected growth that Arizona has and will continue to experience. It was noted that by 2020, Arizona would probably have upwards of ten million residents and without thoughtful and innovative planning, Arizona would look like a California freeway (parking lot).

One detriment I noticed was there could be erroneous information unknowingly given by a committee member which could spark some controversy; however there was no staff available to obtain the correct and sometimes crucial information and enlighten the group. Each group had the same four questions to answer collectively. Once a question was answered by consensus, there was no going back to re-discuss it, even though new information might have been obtained.

That being said, I feel the meetings were a meaningful way of flushing out real issues. With no fear of the press or a future election pending, participants were free to express and discuss innovative and sometimes controversial ideas. No need to watch a reality show – Town Hall is it!



**Wednesday** —Consensus is the name of the game – Our first meeting began at 6:45 a.m. where we had to be prepared by reading the Consensus paper from your particular group (I was in the Yucca group). These documents were ready at the front desk at 5:30 a.m., which gave us a little over an hour to read, digest and approve or disagree with our committee responses. We then caucused with the four other committees with the goal of blending of all our recommendations. The system worked and worked well. Opposing committee members would take their respective mikes when there were opposing views among committees. If there were no consensus, the opposing committee members were sent outside with a recorder (one recorder was assigned to each committee to take notes and frame their respective committee members' ideas into readable material—a daunting task) to reach a consensus position. I must admit I was sent to the woodshed twice. I will be happy to provide a final version of the findings to anyone who would like a copy. These meetings reminded me very much of the National Conference of State Legislators (NCSL) meetings where policy makers from all the States often provided suggestions for future legislation or changes in the law for local and state governments. This concept was productive, innovative and meaningful. We were told that egos, titles, partisanship or the like should be left at the bottom of the hill and could be picked up at the end of the conference. Hopefully, many of us will leave those "attributes" at the bottom of the hill never to be used again – we just might end up with truly representative government – what a concept. ☐



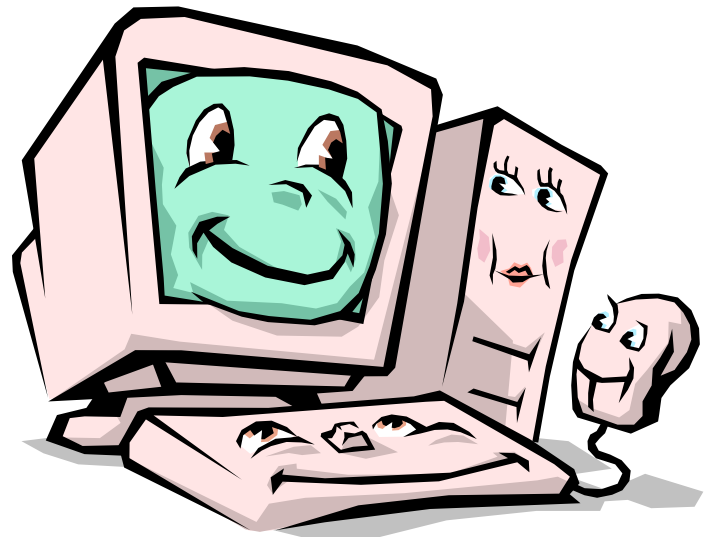
## The Top Ten Ways To Speed Up The Department's Processing Of Your Application...

- #10 **Review Frequently Asked Questions** on the new Department webpage, [azre.gov](http://azre.gov), for answers to any questions you have about filling out the forms.
- #9 **Follow the instructions.** Each Licensing and Education form is being reviewed and revised to include clear, detailed instructions and a checklist. (Please do not submit the instructions and checklist, just the application form and required attachments.)
- #8 **Double-check your attachments against the checklist.** Following the checklist will help you make sure the application is right the first time, and you have all of the necessary attachments.
- #7 **Use the current form.** Downloading the form from the Department's webpage ([www.azre.gov](http://www.azre.gov)) is the best way to make sure you have the latest version. In some cases, the Department may not accept an outdated version.
- #6 **Sign the application.** Although this seems obvious, it's a common omission.
- #5 **If employed, see if your broker needs to sign the form** (see #6).
- #4 **Avoid calling the Department**, if you can, as every call we take means less time available to process your application.
- #3 **Attach payment.** Using the new checklist and instructions, you should be able to calculate the total amount due. If not, you'll have to call the Department for assistance (but, see #4).
- #2 **Submit your renewal application up to 90 days before your license is due to expire.** That way, if there is something missing, you'll have time to fix it and avoid a late renewal and having to pay late fees, be rehired, maybe have unlawful license activity, etc.
- #1 **File the application on-line**, using the On-line License Renewal System. You can change your



**Cindy Wilkinson, Director  
Licensing and Professional  
Education Division**

residence and residential mailing address, request to be hired, sever employment, and renew your license now, and brokers can approve hire requests and renewals. (Under Phase II, now in development, employing brokers will be able to sever employees, renew the entity license on-line, add and remove branch offices, transfer licensees between and among their main and branch offices, appoint branch managers, change phone and fax numbers, print licenses for the entity and employees, all on-line!)☐





**"Flipping" In Restricted Subdivisions**  
By Tom Adams, Director  
Investigations and Auditing Division

As a result of the dramatic increase in the demand for housing that occurred in the recent past, many developers instituted a policy of restricting sales to owner/occupied properties only. The developers, wishing to limit or avoid speculators purchasing property in their developments, attempt to screen purchasers to ensure that only those who will live in the house become successful buyers. The developers do not want people either renting out the properties or "flipping" them for a profit shortly after the original sale.

Toward this end, developers screen potential buyers to attempt to identify investors/speculators, and include in the sales contract some language requiring the buyer to confirm that the buyer will reside in the property and will not sell it within a specific timeframe (usually a year). Whether this is appropriate or not, it is not illegal.

Recently the Department has begun receiving complaints from developers concerning licensees who were involved as the buyers' agents in the original purchases of property and who are now representing the sellers as the properties are listed for sale. These complaints involve situations where the new sale is less than a year after the original purchase, and in some cases less than three months after the original purchase.

Licensees involved in these situations may be in violation of the following statutes and rules and may be subject to disciplinary action by the Department.

- A.R.S. § 32-2153(A)(1) *prohibits a licensee from pursuing a course of misrepresentation.* Knowing that a property is subject to a contractual limitation and failing to disclose that to a potential buyer falls within the scope of this statute.
- A.R.S. § 32-2153(A)(4) *prohibits advertising, distributing or circulating any material false or misleading statement or representation concerning... any land...offered for sale..."* Failing to disclose any restrictions on resale would fall under this statute.



**Tom Adams, Director**  
**Investigations and Auditing Division**

- A.R.S. § 32-2153(A)(11) *prohibits a licensee from inducing a party to a contract to break the contract for the purpose of substituting a new contract...if the substitution is motivated by the personal gain of the licensee.* Under certain circumstances this might apply, since the original contract on the house applies for an extended period (i.e. a year after closing) and the new contract would benefit the licensee through commissions paid.
- A.R.S. § 32-2153(B)(3) *prohibits making a substantial misrepresentation.* Knowing there is a limitation on the resale of the property and that civil action might occur upon sale and not advising any potential buyer of the same could violate this statute.
- A.R.S. § 32-2153(B)(5) *prohibits any act that constitutes fraud or dishonest dealings.* Under some conditions this statute may apply in these situations.
- A.R.S. § 32-2153(A)(3) provides that the Commissioner may take disciplinary action against a licensee who violates any of the Commissioner's rules. The following Commissioner's rules may also apply to these listings:
- Commissioner's Rule R4-28-1101(A) *provides that a licensee has a fiduciary duty to the client and shall protect and promote the client's interest.* Taking a listing that could result in a civil suit against the client would fall within this area.  
R4-28-1101(B) *requires the licensee to inform, in writing, all parties to the transaction of "any information the licensee possesses that materially or adversely affects the consideration to be paid by any party to the transaction..."* This would require disclosure to any potential buyer that there is a possibility of a civil suit concerning the legality of the sale.

- R4-28-1101(B)(3) *provides that a licensee "shall disclose in writing to all other parties any information that the seller...may be unable to perform."* If the developer sues the seller and ties the property up in legal action the seller may be unable to perform, and the licensee would be required to disclose that information.
- R4-28-1101(G) *provides that a sales person shall "conform to the standards of practice and competence recognized in the professional community..."* Taking a listing that would subject the client to a potential civil suit would apply.
- R4-28-1101(I) *requires the sales person to "exercise reasonable care in ensuring that the salesperson...obtains information material to a client's interests and relevant to the contemplated transaction and accurately communicates the information to the client."* Taking a listing that could result in a civil suit would fall within this requirement.

Any licensee involved as a representative of the buyer who then becomes the representative of the seller in a situation such as this would have a very difficult time convincing the Department that the licensee was unaware of the restriction on resale, and could almost certainly expect disciplinary action. Licensees taking listings in new developments would be well advised to confirm whether such a limitation on resale exists prior to taking a listing and actively marketing the property.

Although the Department of Real Estate does not enforce contracts, per se, these situations clearly fall within the scope of several statutes and rules and may fall within the scope of others, as indicated above. Developers report such listings, and the Department will investigate the complaints. The wise agent will avoid becoming involved in these situations, both for their own sake and the sake of the client who may end up in civil litigation.☐

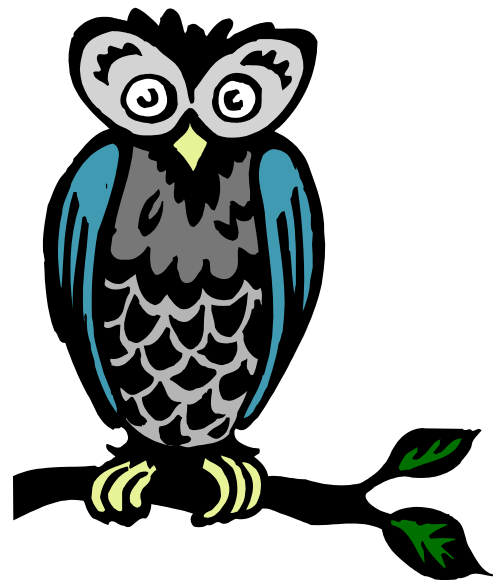


## DO SUBDIVISION PUBLIC REPORTS EXPIRE?

By Roy Tanney, Director  
Development Services Division

Public Reports have no expiration date. However, they may cease to be valid for use if the information in the report becomes incorrect or incomplete. New legislation or the discoveries of new adjacent land disclosures are examples of causes for reports to become incomplete. In this event, the subdivider who obtained the Report must amend it. (See A.R.S. § 32-2184)

Further, our file retention schedule is 20 years after which the file is destroyed. Therefore, a copy of the Report will be unavailable from us unless we have an electronic copy in our database. The only other option to obtain a copy is if the subdivider or one of the original lot purchasers can be found and still has a copy of the Report.☐



## BUSINESS BROKERAGE COURSES AVAILABLE

By Cindy Wilkinson, Director  
Licensing and Professional Education Division

ADRE has just concluded review and approval of the first of courses in the Business Brokerage category! The International Business Brokers Association University, which has been approved to offer Arizona real estate continuing education courses, has been issued approval for 27 business brokerage courses. The IBBA held an annual conference in Phoenix last November, attended by business brokers from around the country.

The Business Brokerage community, with the support of the Department, successfully lobbied for legislation establishing a voluntary "business brokerage specialist" designation. The Commissioner's Rules were amended last year to identify topics that qualify for approval in the business brokerage category.

To qualify for initial award of the BB designation and for first renewal of it, licensees must not only attend the course, they must pass a test on the course content that has been approved by the Department. That is one key difference in BB category courses--a test may or may not be required for credit. When a course is approved in the BB category, if the school presenting the course requires students to pass a test before issuing credit for a BB course, the course number prefix will be "CT". If a test is not required, the course may qualify for a subsequent renewal of the designation, but will not be applicable for the initial award or first renewal of the designation.

See ARS 32-2124 N, 32-2130A and AAC R4-28-405.☐



# EDUCATION!

## Are "Refunds/Rebates" Legal?

By Tom Adams, Director  
Investigations and Auditing Division

There seems to be a great deal of misunderstanding about whether a licensee may give a "refund/rebate" to a client. Some folks are absolutely sure this is illegal and file complaints every time they see an advertisement offering such things, while others believe refunds are not illegal and advertise their willingness to give rebates/refunds.

To properly answer this question requires a review of some statutes. First, A.R.S. § 32-2155 provides that brokers may only "employ and pay" real estate licensees legally licensed to them, and licensees may only receive compensation from the broker to whom they are legally licensed. This statute also states that it "*is unlawful for a person, firm or corporation, whether obligor, escrow holder or otherwise, to pay or deliver to anyone compensation for performing any of the acts specified by this chapter, as a broker, who is not licensed at the time the service is rendered.*" This is the section that generally causes people to believe that refunds/rebates cannot be paid.

In fact, although §32-2155 does prevent payment to unlicensed people for referrals, it does not prohibit payment to the licensee's client at the close of escrow. The keys to this statement are that payment is to the licensee's client (not to any other person involved or not involved in the transaction) and that the payment occurs at or after close of escrow.

To understand why this is so requires a review of the definition of real estate broker. That definition is found in A.R.S. § 32-2101(47), and the key portion is "*Real estate broker means a person, other than a salesperson, who, for another and for compensation...*" Again, the key words here are FOR ANOTHER and FOR COMPENSATION. Since the client is a principal in the transaction, the client is not acting "for another," and therefore is not conducting real estate activity as defined. BOTH "for another" and "for compensation" must be present to make the activity "real estate activity" that requires a license.





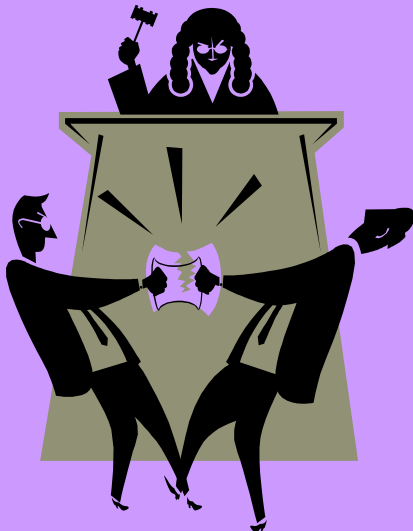
### Are "Refunds/Rebates" Legal?

A.R.S. § 32-2101(49) defines real estate sales person and includes by reference the same requirements as are placed on a real estate broker in section 47.

Among the things that require a license as defined in A.R.S. § 32-2101(47) is item (i), which is the part that makes it illegal to pay unlicensed people for referrals. It reads "

*"(i) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate or timeshare interests."*

So, in conclusion, while it IS illegal to pay unlicensed people for assisting in the procuring of prospects (referrals), it is NOT illegal to pay the licensee's own client a refund/rebate at or after the close of escrow, since this does not involve acting "for another." ☐



### LICENSE FEES – RELATIVELY SPEAKING!

**By Curt Leaf  
Fiscal Planner**

Did you know that the cost of obtaining and holding a real estate license in Arizona has gone down over the past four years – relatively speaking of course. A review of the license fees presented in the Association of Real Estate License Law Officials (ARELLO) 's annual DIGEST OF REAL ESTATE LICENSE LAWS AND CURRENT ISSUES, shows that the cost of obtaining an original broker's license dropped from the 22<sup>nd</sup> least expensive in 2001 to 33<sup>rd</sup> in 2005. This is out of 54 of the ARELLO members who presented data. Connecticut was the most expensive and Wyoming was the cheapest.

For an original sales license, Arizona's ranking dropped from 36<sup>th</sup> in 2001 to 41<sup>st</sup> in 2005. Again, the most expensive was Connecticut, but the least expensive was Indiana.

In the rankings for renewals, Arizona dropped from 23<sup>rd</sup> to 33<sup>rd</sup> for broker renewals. Connecticut topped the list for most expensive and Missouri was the least expensive. In the area of sales renewals, Arizona moved from 36<sup>th</sup> to 44<sup>th</sup>. As with original sales licenses, Connecticut was most expensive and Indiana was least expensive.

By law, all of the licenses fees collected by the Department must be deposited to the State's General Fund. For Fiscal Year 2005, which ended June 30, 2005, the Department deposited approximately \$5,104,000 into the general fund. Projections for the current fiscal year which ends June 30, are that license fees will total almost \$6,000,000.

Each year, the Legislature appropriates money back to the Department in the amount it deems sufficient for the Department to operate. In Fiscal Year 2005, this amount was \$3,208,400 and for Fiscal 06, the amount is \$3,718,800. ☐





## CONSUMER ALERT!!!

### Here Comes the Weekend Warrior! By Bruce Greenberg

American Real Estate Brokers and their Agents, Real Estate Appraisers, Mortgage Brokers and their Agents are flocking to Mexico to do business!!

Consumers must ask questions to protect themselves and set forth proper consumer protection factors!

When doing business with these “professionals” the first issue to be addressed---Do these individuals and/or the companies they represent have the legal authority to do business in Mexico?

Do these individuals or their organization have a Mexican Corporation registered with the Federal authorities in Mexico City?

Do these individuals have an FM-3 (*Work Permit*)?

What is their company's RFC Hacienda (*IRS*)?

If they are real estate agents or appraisers ask the following questions?

Are you a member of AMPI?

AMPI (*Asociación Mexicana de Profesionales Inmobiliarios, A.C.*) is the United States equivalency of NAR (*National Association of Realtors*).

Are you or your organization registered with CANACO (*Camara Nacional de Comercio*)? This is the local version of Mexico's Better Business Bureau.

Are you a member of the local Multiple Listing Service?

What is your competency and experience to provide these services in Mexico?

Be specific. Have the professional provide references and a list of closed transactions! Verify these references and the reported transactions.

Many “professionals” illegally do work in Mexico. Issues you should be concerned about include:



- a) They are violating Mexico's Hacienda and Foreign Investment Rules!
- b) If they are Real Estate Licensees within the United States and do not have an FM-3 work permit granted by the Mexican government, they are most probably breaking the rules of their respective states and NAR's Code of Ethics. Similar ethical and legal violations may also be true for the other “weekend warrior” appraisers/mortgage agents!
- c) These “professionals” are doing a disservice to both the public and their respective professions.

The “legal” real estate professionals in Mexico have spent much time and money to do it right! AMPI, CANACO, the respective Multiple Listing Services have put guidelines and rules in place to protect you. Ask the right questions!@

**Editor's Note: Bruce D. Greenberg, MAI, SRA, ASA** is a principal in International Consulting Services, S. de R. L. (ICS), a Mexican due diligence firm and the principal appraiser for Bruce D. Greenberg, Incorporated in Tucson, Arizona and Valuaciones Montaña Verde, S.A. de C.V. Mr. Greenberg can be reached at (520) 750-8200, fax (520) 750-8298, e-mail [bgreenberg@brucedgreenberginc.com](mailto:bgreenberg@brucedgreenberginc.com) or visit the web page at [www.mexicovaluations.com](http://www.mexicovaluations.com).

### A NOTE ABOUT GUEST COLUMN ARTICLES

Guest column articles do not reflect the policies or interpretations of law by the Arizona Department of Real Estate. They are meant to inform the public and provide variety to ADRE's Bulletin. All articles are edited for space limitations.

**TEAM Offices - Legal?**  
**By Tom Adams, Director**  
**Investigations and Auditing Division**

A recent discussion on the Arizona Real Estate Education Association email system centered around "teams" operating separate offices and what, if any, restrictions there might be on those offices. The initial question was "Can a team have an office away from the "main" office, with the team name on the sign?" The answer to the question is: ARS §32-2126(B) provides "Each designated broker and, if applicable, each employing broker (employing broker = entity) shall cause a sign to be affixed at the entrance to the broker's place of business, in a place and position clearly visible to all entering the place of business, with the name of the broker, the name under which the broker is doing business if other than the broker's given name, and sufficient wording to establish that the person is a real estate broker, cemetery broker or membership camping broker. In addition to any other applicable law, the sign shall conform to rules adopted by the commissioner." (emphasis added) ARS §32-2127 provides

"A. When a broker maintains more than one place of business within the state he shall be required to procure an additional license for each branch office maintained.

B. Branch office licenses shall be issued in the same name as the principal office license is issued, and the license must be posted in the branch office. Branch office signs shall conform to the provisions for the principal office and shall include the designation "branch office".

C. Each branch office shall be under the management of a broker or a licensed salesman." (emphasis added)

Commissioner's Rule R4-28-502(E) provides "A salesperson or broker shall ensure that all advertising identifies in a clear and prominent manner the employing broker's legal name or the dba name contained on the employing broker's license certificate." (emphasis added)

Commissioner's Rule R4-28-502(C) provides "A salesperson or broker shall ensure that all advertising contains accurate claims and representations, and fully states factual material relating to the information advertised. A salesperson or broker shall not misrepresent the facts or create misleading impressions." (emphasis added)

Based on the above, if a "team" is operating an office away from the main office the "team's office" must be a licensed branch office, per §32-2127(A). The Branch office must be identified as such, with the same name as the principal office, per ARS §32-2127(B). The branch must be under the management of a broker or licensed salesman appointed by the Designated Broker, per ARS §32-2127(C).

The employing broker's name or dba name must be "clearly and prominently displayed" per ARS §32-2126(B) and R4-28-502(E). Failing to comply with these signage and other requirements violates the noted statutes and rules as well as R4-28-502(C), since it creates a misleading or inaccurate impression that the office is not a branch office or that it is not operating under the license of the employing broker.

If the office is licensed as a branch office, the signage is appropriate (clearly indicating that it is a branch and advertising the name of the employing broker in a clear and prominent manner), and the office meets the rest of the rules and statutes governing branch offices (has an appointed person in charge, etc.) it is legal.

The "team name" cannot be displayed on the sign, since the sign must "CONFORM TO THE PROVISIONS FOR THE PRINCIPAL OFFICE."☐



Arizona Department of Real Estate  
2006 Directory of Substantive Policy Statements  
Revised: April 17, 2006

**No. 2005.01**

Short Title: **Acceptable Forms of Payment**

Description: Methods of payment accepted by the Department.

**No. 2005.02**

Short Title: **Attendance Requirements for Credit & Enforcement**

Description: Circumstances when a licensee is entitled to credit for a class.

**No. 2005.03**

Short Title: **Disclosure of Licensee's Home Address**

Description: Circumstances under which a licensee's home address must be disclosed.

**No. 2005.04**

Short Title: **Unlicensed Assistants**

Description: Clarification of tasks that can be delegated to an unlicensed assistant.

**No. 2005.05**

Short Title: **Access to Arizona Real Estate Law Book on the World Wide Web**

Description: Unrestricted access to the Arizona Real Estate Law Book on the Department's Web-Site meets the requirement of statute.

**No. 2005.06**

Short Title: **Electronic Record Keeping**

Description: Conditions under which brokers may keep required records electronically.

**No. 2005.07**

Short Title: **Department investigation of Cases Involving Civil Litigation**

Description: Investigation of complaints and pursuit of civil remedies.

**No. 2005.08**

Short Title: **Payment of Commission after License Expiration or Transfer of Employment**

Description: Department's position concerning payment of a commission to a licensee after the Licensee has changed employing brokers or the license has expired.

**No. 2005.09**

Short Title: **Non-commercial Requests to Inspect Records and Fees for Copies**

Description: Availability of Department's records and the estimated time for production.

**No. 2005.10**

Short Title: **Electronic Signatures**

Description: Acceptance of a broker's electronic signature on contracts and agreements.

**No. 2005.11**

Short Title: **Subdivision Public Report Application Form, Changes**

Description: Frequency of changes to the Applications for Subdivision Public Report and provision for comment by stakeholders.



2006 Director of Substantive Policy  
Statements  
(continued)

**No. 2005.12**

Short Title: **Continuing Education, Residential Resale Purchase Contract**

Description: Interprets the requirement for 'other education or experience' for a real estate instructor to be qualified to teach an class on the 2005 Arizona Association of Realtors® Residential Resale Purchase Contract.

**No. 2005.13**

Short Title: **Agent Responsibility to Client**

Description: Interprets the duties of a licensee set out in revised Commissioners Rules.

**No. 2005.14**

Short Title: **Fair Housing Course Substitute**

Description: Requirement for substitution of requisite Continuing Professional Education Fair Housing Course for license renewal.

No. 2005.15

Short Title: **Broker Home Office**

Description: Describes the circumstances when the Department will not require compliance with the signage requirement.



## DISCIPLINARY ACTIONS

John Martin, broker/James Martin, salesperson (Safford)  
File # 06F-DI-172, Consent Order 11/16/05

On or about 2/28/00, the Department issued a real estate broker's license to John Martin. That license expired on 2/28/06. At all times material to this matter, John Martin was a self-employed broker, doing business as Quail Ridge Realty. On or about 1/17/03, the Department issued a real estate salesperson's license to James Martin. That license expired on 1/31/05. At all times material to this matter, John Martin was the designated broker for James Martin. From 1/31/05 through 7/22/05, James Martin continued to conduct activity that required a real estate license even though James Martin's license had expired, in violation of A.R.S §§ 32-2122 (B) and (D) and 32-2153 (A)(6)(10) and (B)(6)(10), and 32-2155(A). James Martin renewal application for salesperson license's is granted and is subject to a sixty (60) day suspension retroactive to 7/22/05, the day he stopped conducting business. James Martin is assessed a civil penalty of \$3,000.00. John Martin is assessed a civil penalty of \$1,000.00, and will develop and implement procedures to prevent reoccurrence of such unlicensed activity.

Joseph Fisher (Phoenix)

File # 05F-DI-244, Consent Order 12/02/05

On 11/19/03, Fisher applied for and was granted a real estate salesperson's license, on the basis of the submitted application. That license expired on 11/30/05. The Department granted a timely renewal of that license based on a Consent Order. Fisher answered "no" to the question whether he had ever been convicted of a felony, when in fact he had been convicted of Battery, a felony, and misdemeanor DUI on 12/24/90. Fisher believed that those convictions had been erased from his record. Fisher has not been in trouble since those convictions and completed his college education. Fisher failed to disclose these convictions, which he now admits he should have. The felony was designated a misdemeanor on 4/6/04. These acts are in violation of A.R.S § 32-2153 (B)(1) and (2). Fisher's license is suspended for 120 days, 90 days of which shall be retroactive, and the remaining 30 days to begin upon entry of the Consent Order. Fisher is issued a 2-year provisional license, subject to specified terms and conditions. Fisher is assessed a civil penalty of \$3,000.00.

Richard Anthony Haskins (Litchfield Park)

File # 04F-DI-160, Consent Order 12/02/05

On 10/10/03, Haskins applied for a real estate salesperson's license, and that license was granted by the Department on 10/24/03. That license expired on 10/31/05. Haskins answered "no" to the question whether he had ever been convicted of a felony, when in fact he had been convicted of Arson, a felony, on 11/2/95. Haskins believed that that conviction had been erased from his record, as his attorney assured him that an application to set aside the conviction would be filed upon his release from probation. Haskins believed that the conviction was off his record, as the Office of Manufactured Housing issued him a license and no convictions were found resulting from that application. Haskins has not been in trouble since those convictions. Haskins failed to disclose that conviction, which he now admits he should have. These acts are in violation of A.R.S § 32-2153 (B)(1)(2) and (7). Haskins's license is suspended for 120 days, to begin upon entry of the Consent Order. Haskins is issued a 2-year provisional license, subject to specified terms and conditions. Haskins is assessed a civil penalty of \$2,500.00.

Robert K. Zbacnik (Mesa)

File # 06F-DI-038, Consent Order 12/5/05

On 6/28/04, Zbacnik applied for and was issued a real estate salesperson's license. That license expires 7/31/06. On 4/14/05, Zbacnik filed a 10-Day Notice of his Plea Agreement, Judgment and Order Suspending Sentence and Imposing Conditions of Probation. This order was for a 3/30/05 conviction for Endangerment, a Class Six Felony, and a misdemeanor conviction for DUI. Zbacnik was placed on two years supervised probation beginning 3/30/05. These acts are in violation of A.R.S § 32-2153 (B)(1)(9) and 32-2157(C). Zbacnik's real estate salesperson's license is revoked. Zbacnik is not assessed a civil penalty.



## DISCIPLINARY ACTIONS

Michael Knipp (Scottsdale)

File # 06F-DI-093-REL, Consent Order 11/10/05

George Milos, the designated broker for Knipp, allowed Knipp to continue to be employed by Leo Enterprise, LLC dba Metro North Realty, to operate as a salesperson after his license expired and after he failed to timely renew his license in January, 2005, in violation of A.R.S §§ 32-2122 (B), and 32-2153 (A) (10)(22), (B)(6). Knipp's application for renewal of his real estate salesperson's license is granted and his license is suspended for sixty (60) days retroactive to August 18, 2005 and he is assessed a civil penalty of three thousand dollars (\$3,000.00).

G&G Wilson, Inc., dba Gail Wilson Realty & Investments and Wendall Gail Wilson (Carefree) File # 06F-DI-188, Consent Order 1/10/06

On or about 4/14/95, the Department issued a real estate broker's license to G&G. That license expired 4/30/05. On or about 10/3/78, the Department issued a real estate broker's license to Wilson. That license expires 2/28/07. Wilson became designated broker for G&G on 4/14/95. From 4/30/05 through 10/6/05, G&G, by and through Wilson, continued to employ real estate salesperson's after G&G's license had expired, in violation of A.R.S §§ 32-2155 (A), and 32-2153 (A) (10), (21) and (B)(6). G&G's application for renewal of its real estate broker's license is granted. G&G's license is suspended for 60 days retroactive to 10/6/05, the day G&G's application for renewal was filed with the Department and the day that unlicensed real estate activity ceased. G&G is assessed a civil penalty of \$3,000.00, \$1,500.00 of which is payable to the Department and \$1,500.00 of which is payable to the Real Estate Education Fund.

William Pickron (Gilbert)

File # 05F-DI-294-001, Final Order 11/15/05

After a hearing, the Department Revoked Pickron's real estate salesperson's license, and assessed a civil penalty of \$2000.00. Pickron applied for and was issued a real estate salesperson's license on 10/15/02. Pickron is the managing member of Home Investment and Acquisitions., LLC ("HIA"). The Department does not license HIA. Pickron was employed as a salesperson by Kenneth D. Perkins, dba Virtual Realty, until 7/14/05, when Pickron's salesperson's license was suspended.

Ms. Ramona Randolph, Tucson, signed a paper by which she deeded her home to HIA, without knowing that was what she was doing. She thought that she was signing loan papers. Ms. Randolph fell behind on her payments and the mortgage holder began foreclosure proceedings. After responding to a newspaper advertisement for assistance to those behind on their mortgages, Randolph met James Busche, who worked for HIA. At a later meeting Randolph was presented and signed a receipt from Busche that stated she was given sufficient time to have an attorney review the contract she was given, but in fact she had never previously received that contract. A few days later Busche returned with two documents, the Agreement and a Lease, for her to sign. The Agreement and the Lease were dated 12/30/03 and signed by Pickron. The Agreement provides that Randolph is deeding her home to HIA, HIA will pay the mortgage holder \$2,964.32, and Randolph will pay HIA a \$2,500.00 processing fee and Randolph also signed a Promissory Note, for \$6,425.30. Randolph thought that she only had to repay \$2,964.32. If Randolph complied with all three agreements, then HIA would reconvey her home to her. The lease agreement between HIA and Randolph, would lease back her house to her for \$960.87 a month, and provided no grace period for a late payment, although Busche told Randolph that there was a grace period. Randolph admitted signing, and not completely reading the documents. Randolph was not told that she could be evicted from her home for failing to live up to the terms of the agreements. Randolph and Busche were the only persons present when she signed the Agreement, and Pickron signed the Agreement prior to her doing so. Pickron also signed the Lease Agreement prior to her signing it. The Promissory Note and the Quit Claim Deed were not notarized in her presence, and she did not sign a Notary Book. Randolph contacted Busche about the grace period because she did not get paid until after the 1<sup>st</sup> of each month, and the payment was due on the 1<sup>st</sup>. Busche told her not to worry about it. Soon after Randolph made the February payment, she received a letter that she was in default. The letter was from Mr. Dobbins, an attorney for HIA. Randolph was sued civilly for the full amount owed, and forced to move out of her house. Pickron violated A.R.S § 32-2153 (A)(1)(3), and (B) (3)(7), and A.A.C. R4-28-1101(A), (E), and (B)(3). Pickron's salesperson's license is revoked. He is assessed a civil penalty of \$2,000.00.

## COMMISSIONER'S FINAL ORDERS (Appealable Agency Action)

George Lipphardt (Tucson)

File # 05F-LI-283, Final Order 07/18/05

After a hearing, the Department denied Lipphardt's application for renewal of real estate salesperson's license, under A.R.S. § 32-2153 (B)(7), because Lipphardt was convicted of Criminal Damage on 11/12/04, and Attempted Interception of Wire, on 12/08/04, each a misdemeanor, which indicates that Lipphardt lacked sufficient good character for licensure.

Ronald Lloyd Peters (Gilbert)

File # 05F-LI-428, Final Order 12/29/05

The Department denied Peters' application for a real estate salesperson's license when he did not truthfully disclose his misdemeanor conviction on his renewal application, which are violations of A.R.S. § 32-2153(B)(2) and (7) and A.R.S. § 32-2153(A)(3) as it pertains to A.A.C. R4-28-301(F). After hearing, Peters is granted a 2-year provisional license, subject to specified terms and conditions. Petitioner is also assessed a civil penalty of \$1,500.00, and is required to attend and complete six (6) hours of approved continuing education classes in the category of Commissioner's Standards

Gavin Washburn (Phoenix)

File # 06F-LI-085, Final Order 1/5/06

After a hearing, the Department denied Washburn's application for a real estate salesperson's license, under A.R.S. § 32-2153 (B)(2), (B)(5), (B)(7), and (B)(10), because he was convicted of misdemeanor's for Resisting a Public Officer and Malicious Destruction of Private Property and an August 2003 misdemeanor conviction for D.U.I, which indicates that Washburn lacked sufficient good character.

Arnold R. Casillas (Phoenix)

File # 06F-LI-094, Final Order 1/4/06

After a hearing, the Commissioner denied Casillas' application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(2)(7) and (10). This decision was based on Casillas' felony conviction for Armed Robbery on 6/22/98. The Commissioner concluded that the robbery conviction was for a crime of theft and moral turpitude and evidence of poor character, which make Casillas ineligible for licensure.

James T. Trueblood (Mesa)

File # 06F-LI-082, Final Order 1/4/06

After a hearing, the Commissioner denied Trueblood's application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(2)(7) and (9). This decision was based on Trueblood's felony convictions for Conspiracy to Possess with Intent to Distribute Cocaine, and Failure to Appear on 10/22/95. The Commissioner concluded that the conviction's are evidence of poor character, which make Trueblood ineligible for licensure.

James Talmadge (Golden Valley)

File # 06F-LI-162, Final Order 1/23/06

After a hearing, the Commissioner denied Talmadge's application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(2)(7) and (9). This decision was based on Talmadge's felony conviction for Conspiracy to Possess with Intent to Deliver, on 8/15/95. The Commissioner concluded that the conviction is evidence of poor character, which make Talmadge ineligible for licensure.

Aaron D. Levey (Chandler)

File # 06F-LI-160, Final Order 1/23/06

The Department denied Levey's application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(7) and (10) based on a civil judgment against him for failure to disclose roof defects to the purchaser of his home. After a hearing, in which Levey established that he did not fail to disclose known defects to the purchaser, Levey is granted a real estate salesperson's license.

Robert E. Henss (Houston, TX)

File # 05F-LI-396, Final Order 1/30/06

After a hearing, the Department denied Henss' application for renewal of real estate broker's license, under A.R.S. § 32-2153 (A)(3), and (B)(7), because he was convicted of a Class 1 misdemeanor, Operating An Escort Bureau, on 7/25/02. Henss did not timely notify the Department of the conviction. Based on Henss' having the burden of proof for the appeal of that denial, the denial of the license was confirmed by his failure to appear, per ARS §41-1092.07(G)(1). Henss was also assessed a civil penalty of \$500.



## COMMISSIONER'S FINAL ORDERS (Appealable Agency Action)

Continued from Page 16

Lowell P. Parlow (Glendale)

File # 06F-LI-164, Final Order 02/02/06

After a hearing, the Commissioner denied Parlow's application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(2)(7) and (10). This decision was based on Parlow's misdemeanor convictions for Disorderly Conduct on 6/13/96, and Theft on 6/19/96, as well as a designated felony conviction for Possession of Drug Paraphernalia on 1/07/99, which was designated a misdemeanor in 02/99. Parlow was ordered to pay child support for two children after a divorce in 1996, but has not met those obligations. The Commissioner concluded that Parlow's convictions were for a crime of theft and evidence of poor character, which make Parlow unqualified to hold a salesperson's license.

Denver D. Hughes (Cottonwood)

File # 06F-LI-051, Final Order 02/07/06

After a hearing, the Commissioner denied Hughes's application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(2)(7) and (10). This decision was based on Hughes's gross misdemeanor conviction for Conspiracy To Commit Embezzlement on 10/15/02, and misdemeanor convictions for DUI on 09/98, 10/03, and 04/04. The Commissioner concluded that the conspiracy conviction was for a crime of theft and moral turpitude and evidence of poor character, which make Hughes ineligible for licensure. The Commissioner further concluded that Hughes's convictions for DUI, also crimes of moral turpitude, adversely reflects on his honesty and integrity, sufficiently to demonstrate that Hughes is unqualified to hold a salesperson's license.

Christopher Ball (Tempe)

File # 06F-LI-152, Final Order 02/23/06

The Department denied Ball's application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(2), (7) and (B)(10), because he was convicted of Petty Theft, a misdemeanor, in 6/02, and Driving Without privileges, on 8/01. After hearing, Ball is granted a 2-year provisional license, subject to specified terms and conditions, including a \$10,000 Surety Bond, and 6 hours of Continuing Education.

Kerry D. Larson II (Chandler)

File # 06F-LI-183, Final Order 03/13/06

The Department denied Larson's application for a real estate salesperson's license under A.R.S. § 32-2153 (B)(7) and (10) based on misdemeanor convictions for Domestic Violence-Assault, and Domestic Violence-Threatening, on 12/02. After hearing, Larson is granted a 2-year provisional license, subject to specified terms and conditions.

Joseph A. Martin (Tucson)

File # 06F-LI-230, Final Order 03/08/06

After a hearing, the Department denied Martin's application for renewal of real estate salesperson's license, under A.R.S. § 32-2153 (B)(2), and (7), because he was convicted of Extreme DUI, a misdemeanor, in 2/28/05, with a prior DUI conviction within 5 years, with neither conviction timely reported to the Department. Based on Martin having the burden of proof for the appeal of that denial, the appeal was dismissed by his failure to appear, and the denial affirmed, per ARS §41-1092.07(G)(1).

Chad A. Ackerman (Scottsdale)

File # 06F-LI-225, Final Order 03/09/06

After a hearing, the Department denied Ackerman's application for renewal of real estate salesperson's license, under A.R.S. § 32-2153 (B)(2), and (7), because he was convicted in 01/99 of Conspiracy to Travel in Interstate Commerce to Facilitate the Distribution of Marijuana, a felony. Based on Ackerman having the burden of proof for the appeal of that denial, the appeal was dismissed by his failure to appear, and the denial affirmed, per ARS §41-1092.07(G)(1).

Michael Bestenlehner (Chandler)

File # 06F-LI-157, Final Order 03/09/06

The Department denied Bestenlehner's application for a real estate salesperson's license when he disclosed misdemeanor convictions for DUI on 03/98 and 04/01, which are violations of A.R.S. Sec. 32-2153(B)(2) and (7). After hearing, Bestenlehner is granted a 2-year provisional license, subject to specified terms and conditions, including a Sobriety Monitor, attendance at Alcoholics Anonymous, and Bodily Fluid Testing.

## COMMISSIONER'S FINAL ORDERS (Appealable Agency Action)

Chris Bailey (Sedona)

File # 06F-LI-181, Final Order 03/09/06

After a hearing, the Department denied Bailey's application for a real estate salesperson's license, under A.R.S § 32-2153 (B) (2) and (B)(7), because he was convicted of Extreme DUI, in 06/04 and two counts of Sale of Alcoholic Beverage to Underage Persons in 01/04, and 07/04, which indicates that Bailey lacked sufficient good character.

Mohamed M. Hamed (Tucson)

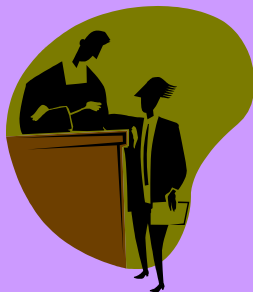
File # 06F-LI-104, Final Order 03/09/06

After a hearing, the Department denied Hamed's application for real estate salesperson's license under A.R.S § 32-2153 (B)(2), (7), and (10) based on two felony convictions for Attempted Trafficking in Stolen Property, which indicates that Hamed was not a person of honesty, truthfulness and lacked sufficient good character.

Debra A. Simon (Phoenix)

File # 06F-LI-069, Final Order 03/09/06

After a hearing, the Department denied Simon's application for renewal of real estate salesperson's license, under A.R.S §§ 32-2122, and 32-2153 (A)(3), (7), (10), and (17) and (B)(7), and (11), because Simon failed to respond to a Settlement Offer made in case 05F-DI-082, regarding Unlicensed Activities, which indicates that Simon engaged in conduct which required a real estate license, received compensation without benefit of a license, failed to respond to an investigation, and lacked sufficient honesty, truthfulness, and good character for licensure.



## CONSENT ORDERS (Appealable Agency Action)

Matt Hiatt dba Matt Hiatt, P.C. (Cave Creek)

File # 05F-SD-275-001-026, Consent Order 11/22/05

Hiatt failed to notify the Commissioner in writing of his intention to sell or offer for sale subdivided lands, and he offered for sale lots before obtaining a Public Report, and failed to maintain an accurate journal of a Notary Public, in violation of A.R.S § 32-2181 (A), (D), and 32-2183 (F), 32-2153 (A)(3), and 32-2164. Hiatt is prohibited from selling or offering, advertising, facilitating, counseling, advising, directing, negotiating, assisting or attempting to sell lots, without first complying with all applicable laws and rules. Hiatt's real estate salesperson's license is suspended for 60 days, and he is assessed a civil penalty of \$2000. Hiatt must resign his public notary authorization. Hiatt must appear for a recorded deposition and truthfully answer any questions regarding the Subdivision. Hiatt agrees to appear with out subpoena and testify truthfully regarding the Subdivision in any enforcement proceedings of the Department.

Stylianios Pissas (Phoenix)

File # 06F-LI-430, Consent Order 2/14/06

On 1/06/06, a complaint was filed against Pissas regarding Pissas processing a real estate contract even though he became aware that the social security number of the applicant was invalid. Pissas actions were in violation of A.R.S §§ 32-2153 (A)(1), (3), and (B)(3), (4)(7), and (10). Pissas' real estate salesperson's license is Revoked.

Keith Lynn Robison (Bull Head City)

File # 05F-DI-129, Consent Order 2/14/06

On 3/16/05, Robison pled guilty to Fraudulent Schemes of Compensation from the Department of Housing and Urban Development, Case Number CR04-770. Robison was placed on probation for three years and ordered to make restitution in the amount of \$33,787.50, which was paid in full. Robison was convicted of a crime of theft and guilty of conduct which constituted fraud or dishonest dealings, in violation of A.R.S §§ 32-2153 (B)(2), (3), (5), and (7). Robison's real estate salesperson's license is Revoked.

## CONSENT ORDERS (Appealable Agency Action)

Excelerate Auction Group, L.L.C. (Mesa)  
File # 06F-LI-165, Consent Order 12/30/05

On 9/13/05, John Payne was granted a real estate brokers license, and authorized to do business as a self employed broker dba Excelerate Auction Group. On 5/12/05, Payne submitted an application for entity license for Excelerate Auction Group, L.L.C., to transfer his brokers license to that entity, as designated broker, and hold his brokers license under entity John Payne, P.C. Before Excelerate Auction Group L.L.C. was approved by the Department, an agreement was executed using the unapproved designation, and the entity received compensation under the unapproved entity, in violation of A.R.S § 32-2153 (A)(3). The application for transfer and renewal of Payne's real estate broker's license, and Excelerate Auction Group L.L.C.'s entity license are approved. Payne is assessed a civil penalty of \$1,000, and Payne must submit a letter transferring the dba of Excelerate Auction Group to Excelerate Auction Group L.L.C.

Jeffery L. Gary (Phoenix)  
File # 06F-LI-177, Consent Order 02/07/06

On 08/30/05, Gary applied for a renewal of a salesperson's license. Gary admitted on his application that he had been convicted in 02/04, of the misdemeanor of Extreme DUI, in violation of A.R.S § 32-2153 (B)(2) and (7). Gary is assessed a civil penalty of \$2,000. Gary is issued a 2-year provisional license, subject to specified terms and conditions, including a Sobriety Monitor, attendance at Alcoholics Anonymous, and Bodily Fluid Testing.

Sergio Arias (Phoenix)  
File # 06F-SS-364, Consent Order 1/13/06

On or about October 13, 2005, Arias entered an online chat room and had a dialogue with a person who identified herself as a thirteen (13) year old girl. The "girl", in fact, was an adult working for an online watchdog group called Perverted-Justice.com. Perverted-Justice is an organization whose volunteers pose as underage children in chatrooms to await contact by online sexual predators. Arias contacted the "girl" online and conducted the conversation, which was recorded by Perverted-Justice. During the conversation, Arias told the "girl" that he has money to buy nice things because he is a real estate agent. Arias set up a meeting at the "girl's" home, to give her a massage and to spend the night, while her parents were not going to be home, and after her aunt checked in on her. Channel 4, KOVA, an NBC affiliate in Tucson was

alerted to this meeting by Perverted-Justice, and had its cameras and crew in the house when Arias arrived. Arias, was caught on tape being confronted by a KOVA reporter about Arias' assignation with a thirteen year old girl. Arias told the reporter that he was a friend to the girl, although he never met her, and was there to protect her from predators. Arias had in his possession a travel bag containing candy, a change of clothing and a toothbrush in preparation for spending the night. This news story was aired on Tucson television. Arias actions were in violation of A.R.S §§ 32-2153 (B)(7). Arias' real estate salesperson's license is Revoked.

Doris Sainz (Tucson)  
File # 06F-LI-156, Consent Order 01/11/06

On 7/27/05, Sainz applied for a real estate salesperson's license. On 11/04/05, the Department denied that application. Sainz timely appealed. Sainz admitted on her application that she had been convicted of False Statement, a class 1 misdemeanor, in violation of A.R.S § 32-2153 (B)(2), and (7). Sainz is issued a 2-year provisional license, subject to specified terms and conditions, including a Surety Bond of \$15,000.

Neil Butterfield/Cibola Vista Real Estate (Phoenix)  
File # 06F-LI-243, Consent Order 01/10/06  
Cibola Vista Real Estate was granted a real estate broker's license on or about 09/04/03. That license expired on 09/30/05. Until 11/09/05, Cibola Vista Real Estate conducted business without a valid license. Butterfield was granted a real estate broker's license on or about 07/03/78. That license expires on 01/31/07. Butterfield was the Designated Broker for Cibola Vista Real Estate. Cibola Vista Real Estate continued to conduct real estate activities that required an active license after it's license expired, in violation of A.R.S § 32-2153 (A)(21). Cibola Vista Real Estate's application for renewal of its real estate broker's license is granted. Its license is suspended 30 days retroactive to November 9, 2005, the day it ceased unlicensed activity. Cibola Vista Real Estate and Butterfield are assessed a civil penalty of \$3,500.00.

## CONSENT ORDERS (Appealable Agency Action)

William Williams Jr. (Phoenix)

File # 06F-LI-319, Consent Order 01/26/06

Williams was granted a real estate broker's license on or about 07/28/03. That license expired on 7/31/05. Williams was the Designated Broker for and sole employee of Touchstone Realty, LLC. Williams continued to conduct real estate activities that required an active license after his license expired, in violation of A.R.S § 32-2153 (A)(21). Williams' application for renewal of his real estate broker's license is granted, his license is suspended 15 days retroactive to 09/16/05, the day he ceased unlicensed activity. He is assessed a civil penalty of \$1,000.00.

Robert Tieken (Chandler)

File # 06F-LI-178, Consent Order 01/26/06

On 08/31/05, Tieken applied for a real estate salesperson's license. Tieken admitted on his application that he had been convicted of passing Insufficient Funds Checks, in Jan. 04, and Placing Debris on Public/Private Property, in 06/02, both convictions are misdemeanors. Tieken actions are violations of A.R.S § 32-2153 (B)(7). Tieken is issued a 2-year provisional license, subject to specified terms and conditions, including a Surety Bond in the amount of \$10,000.

Andrea J. Ghigo (Phoenix)

File # 06F-LI-270, Consent Order 03/14/06

On 09/27/05, Ghigo applied for a renewal of a salesperson's license. Ghigo admitted on her application that she had been convicted in 08/05, of the misdemeanor of DUI, and did not timely notify the Department of that conviction, in violation of A.R.S § 32-2153 (B)(2) and (7). Ghigo is assessed a civil penalty of \$2,000.

Antoine Dumas (Phoenix)

File # 06F-LI-428, Consent Order 03/13/06

On or about 11/16/05, Dumas applied for an original salesperson's license. Dumas admitted on his application that he had been convicted in 12/03, of a misdemeanor, DUI, and in 10/04, he was convicted of Extreme DUI, also a misdemeanor, in violation of A.R.S § 32-2153 (B)(2), and (B)(7). Dumas is issued a 2-year provisional license, subject to specified terms and conditions, including a Sobriety Monitor, Alcoholics Anonymous attendance, and Bodily Fluid Testing.

Nhahn Nguyen (Gilbert)

File # 06F-LI-365, Consent Order 03/13/06

On or about 10/11/05, Nguyen applied for an original salesperson's license. Nguyen admitted on her application that she had been convicted of three misdemeanors, Criminal Trespass, in 10/96, Shoplifting, in 10/96, and Shoplifting, in 02/ 98, all in violation of A.R.S § 32-2153 (B)(2), and (B)(7). Nguyen is issued a 2-year provisional license, subject to specified terms and conditions, including a Surety Bond in the amount of \$15,000.

Ryan Garrison (Scottsdale)

File # 06F-LI-376, Consent Order 03/16/06

On or about 11/02/05, Garrison applied for an original salesperson's license. Garrison admitted on his application that he had misdemeanor convictions for Reckless Driving and a Person Under 21 Driving With Alcohol In his system in 02/01, and a misdemeanor conviction for DUI, in 08/03, in violation of A.R.S § 32-2153 (B)(2), and (B)(7). Garrison is issued a 2-year provisional license, subject to specified terms and conditions, including a Sobriety Monitor, Alcoholics Anonymous attendance, and Bodily Fluid Testing.

Maryann Davis-Farley (Bullhead City)

File # 06F-LI-273, Consent Order 03/09/06

On or about 11/23/05, Davis-Farley applied for an original salesperson's license. Davis-Farley admitted on her application that she had a misdemeanor conviction for Petty Theft, in 04/99, in violation of A.R.S § 32-2153 (B)(2), (7), and (B)(10). Davis-Farley is issued a 2-year provisional license, subject to specified terms and conditions, including a Surety Bond in the amount of \$15,000.





## CONSENT ORDERS (Appealable Agency Action)

Glen B. Delander (Phoenix)

File # 06F-DI-033, Consent Order 03/07/06

Delander was granted a real estate broker's license on or about 11/07/89. That license expires on 11/30/07. Delander was the Designated Broker for Delander and More, LLC, where Michael R. Rassler was employed as a salesperson. On 05/10/05, Scott Meyer filed a complaint with the Department that Rassler, SA531616000, prepared several real estate documents purporting to have Meyer's signature, which Meyer did not sign. Rassler stated that he prepared several documents under verbal approval of Meyer. Delander stated that Rassler told him that he had verbal approval to sign Meyers name to the documents. No written approval for such actions was provided to the Department. These actions are in violation of A.R.S § 32-2153 (A)(21), (22), and (25). Delander is assessed a civil penalty of \$1,000.00, and must complete 3 hours of Continuing Education, in the category of the Commissioner's Rules.

SPV Real Estate Services, Inc./Carol Kleinberg (Phoenix)

File # 06F-LI-334, Consent Order 03/08/06 Kleinberg was granted a real estate broker's license on or about 09/01/94. That license expires on 09/30/06. SPV Real Estate was granted a real estate broker's license on or about 09/01/94. That license expired on 09/30/04. Kleinberg became the Designated Broker for SPV Real Estate on 09/01/94. SPV Real Estate continued to conduct real estate activities, through Kleinberg from 09/30/04 through 11/08/05, in violation of A.R.S § 32-2153 (A)(10), (21), and (B)(6). SPV Real Estate's application for renewal of its real estate broker's license is granted, subject to a 90 day suspension retroactive to 11/09/05, the day unlicensed activity ceased. SPV and Kleinberg are jointly assessed a civil penalty of \$5,000.00.

Deborah Trujillo Robles (Mesa)

File # 06F-LI-308, Consent Order 02/16/06

On 10/07/05, Robles applied for renewal of her salesperson's license. Robles admitted on her application that she had been convicted of misdemeanor DUI in 04/05. The Department notified Robles of its intent to deny her license renewal. Robles timely filed an appeal. Robles did not timely notify the Department of that conviction, in violation of A.R.S § 32-2153 (B)(2) and (7). Robles is assessed a civil penalty of \$2,000.

Rhonda J. Davis (Scottsdale)

File # 06F-LI-124, Consent Order 02/16/06

On 08/31/05, Davis applied for renewal of her salesperson's license. Davis admitted on her application that she had been convicted of misdemeanor DUI in 02/04. Davis did not timely notify the Department of that conviction, in violation of A.R.S § 32-2153 (B)(2) and (7). Davis is assessed a civil penalty of \$2,000.

Carol L. Vernon (Scottsdale)

File # 06F-LI-421, Consent Order 02/23/06

Vernon was granted a real estate broker's license on or about 07/27/76. That license expires on 10/31/06. Vernon works as a self employed broker, who submitted a "License Change Form", reporting her office address as 2944 N. 44<sup>th</sup> St., # 200, Phoenix. Vernon also reported her business mailing address as 4723 E. Morning Vista Lane, Cave Creek. On October 29, 2004, Respondent renewed her broker's license, again listing 2944 N. 44<sup>th</sup> St., Ste. 200, Phoenix, as her business address of record. On February 23, 2005, the Department sent correspondence to Respondent in care of her business office address of record, advising her she had not complied with completing and submitting a Broker Supervision and Control Audit Declaration ("Declaration"), as required for Department license renewal. On March 21, 2005, the Department sent a reminder to Respondent, in care of her business office address of record, regarding the Declaration form. On or about April 1, 2005, the Department sent correspondence to Respondent, again in care of her business office address of record, advising that failure to provide a completed Declaration form within ten (10) days may result in further disciplinary action. On or about April 12, 2005, Respondent replied, indicating she works primarily out of her house and rarely goes to the office address. Respondent further stated she receives the majority of her mail at her home address. Respondent failed to notify the Department of the address change as required.

(Continued on Page 22)



## CONSENT ORDERS (Appealable Agency Action)

Continued from Page 21

On or about April 21, 2005, Respondent provided a completed Declaration to the Department: Respondent has one (1) employed agent who has never conducted a real estate transaction or collected a commission. Respondent requested a waiver regarding required display of office signage. Respondent failed to provide copies of her Delegation(s) of Authority and Broker manual as requested with the completion of the Declaration. Department staff informed Respondent that no waiver would be granted regarding the signage requirement and advised Respondent that required signage must be in place within ten (10) days and Respondent would be required to provide proof of compliance. On or about May 3, 2005, Department staff sent correspondence to Respondent's mailing address of record, requesting proof of compliance with the signage requirement. Respondent was also requested to submit copies of her Delegations(s) of Authority and Broker Manual. On or about July 5, 2005, Department staff went to Respondent's business address of record to verify compliance with the signage requirement. John W. Bozzo, President of NAI Horizon and occupant of 2944 N. 44<sup>th</sup> St., Ste. 200, Phoenix, Arizona 85018, told Department staff he knew of Respondent but had not leased any space to Respondent. On or about July 11, 2005, the Department sent notification to Respondent's business mailing address of record, advising of the cancellation of her broker's license due to office abandonment. The notification was returned to the Department on or about August 9, 2005 by the United States Postal Service as "unclaimed". On or about October 27, 2005, Respondent personally submitted a change of home address to Department staff and was advised her license had been canceled. Respondent ceased all real estate sales activities.

On or about November 1, 2005, Respondent submitted an Application for Reinstatement of License and submitted an Unlicensed Activity Statement. Respondent stated: She had worked from her home office for ten (10) years. She changed her office address to an investor's address located at 2944 N. 44<sup>th</sup> St., Ste. 200, Phoenix, while she relocated to a new home. She had submitted a home address change to the Department. The Department has no record of the address change being submitted. These actions of Vernon are in violation of A.R.S §§ 32-2153 (A)(17), and (B)(11), as well as 32-2126 (A), A.A.C. R4-28-301 (F), R4-28-302 (G), R4-28-303 (D), R4-28-301 (G), and R4-28-303(A)(2)(f). Vernon is assessed a civil penalty of \$2,000. Vernon shall obtain 3 hours of Continuing Education in the category of Business Broker-

age and 3 hours in the category of Commissioner's Standards. Vernon also shall provide proof to the Department of compliance with requirements of posting required signage at the business office of record.

Edward Lawrence (Peoria)

File # 06F-LI-161, Consent Order 02/23/06

On or about 08/11/05, Lawrence applied for a salesperson's license. Lawrence admitted on his application that he had been convicted of two felonies, Possession of Dangerous Drugs, and Possession of Marijuana For Sale, in 04/98, and a misdemeanor, Driving on a Suspended License, in 03/00, in violation of A.R.S §32-2153 (B)(2), and (B)(7). Lawrence is issued a 2-year provisional license, subject to specified terms and conditions, including Bodily Fluid Testing.

Raymond White, and, 1st USA Realty, Inc.; Cynthia Wells, and, Realty Experts, Inc.; Elizabeth Hughes, and George Balfre; Samuel Aston, and SRA Development Corp. dba Westmark Homes, (Mesa) (As to Samuel Aston, and SRA Development Corp. dba Westmark Homes and George Balfre)

File # 05F-SD-292, Final Order 12/13/05

On or about March 10, 1995 the Department issued a real estate license to 1<sup>st</sup> USA. That license is set to expire March 31, 2007. On or about March 6, 2001 the Department issued a real estate broker's license to White. That license is set to expire March 31, 2007. Since March 6, 2001, White has been the designated broker for 1<sup>st</sup> USA. On or about March 28, 1976 the Department issued a real estate license to Experts. That license is set to expire December 31, 2005.

On or about March 26, 1999 the Department issued a real estate broker's license to Wells. That license is set to expire March 31, 2007. From January 30, 2004 to October 12, 2004, Wells was the designated broker for Experts. On or about August 6, 2001 the Department issued a real estate salesperson's license to Hughes. That license is set to expire August 31, 2007. From August 29, 2002 to the present Hughes was employed by 1<sup>st</sup> USA. On or about December 27, 2002 the Department issued a real estate salesperson's license to Balfre. That license is set to expire December 31, 2006. From January 6, 2003 to September 26, 2003, Balfre was employed by 1<sup>st</sup> USA, and from September 26, 2003 through April 12, 2004, Balfre was employed by Experts. On or about February 18, 1997, the Department issued to R.S.C.

## CONSENT ORDERS (Appealable Agency Action)

Continued from Page 22

Enterprises, L.L.C., Inc., an Idaho limited liability company ("RSC"), Subdivision Public Report No. 96-00905 for improved and unimproved lots in Meridian Manor. Public Report No. 96-00905 was amended August 12, 1999. On August 23, 2001 an Option Agreement was entered into between RSC and Kenwood Homes, Inc., for various lots in Meridian Manor. On September 8, 2003, an Assignment and Assumption Agreement was entered into between Kenwood Holdings, LLC and Westmark, wherein Westmark assumed all the rights of the August 23, 2001 option agreement Westmark acquired twenty three (23) lots in Meridian Manor, and sold twenty two (22) lots in Meridian Manor, without obtaining a Public Report. As a result of Westmark acquiring six or more lots in Meridian Manor, Westmark is a subdivider and has created a subdivision within the meaning of A.R.S. §32-2101 (55). On or about March 18, 2005, in explanation and mitigation, Aston, President of Westmark, stated that Westmark did not have a Public Report issued in their name, but each and every purchaser was given a copy of the Public Report obtained by RCS Enterprises. On or about April 19, 2005, in explanation and mitigation, Balfre, stated in a letter that they never wrote a contract without providing a copy of the Public Report to the buyer. Balfre enclosed a copy of the report given to purchasers, which was the report issued to R.S.C. Of the original twenty-three (23) lots obtained, Respondents sold twenty-two (22) lots. In mitigation, upon notification from the Department, Respondents voluntarily discontinued sales in the Subdivision and have been cooperative in reaching a resolution of this matter. Respondents offered for sale, sold or transferred lots within the Subdivision without first notifying the Commissioner in writing of their intention to do so, in violation of A.R.S. § 32-2181(A). Respondents failed to either file for or obtain a Public Report from the Commissioner, and failed to disclose and furnish a copy thereof to each prospective purchaser, in violation of A.R.S. § 32-2183(F). None of the sales or offers for sale by Respondents were exempt from the Public Report requirement or any other provision of A.R.S. §32-2181, *et seq.* Samuel Aston, and SRA Development Corp. dba Westmark Homes are jointly and severally assessed a civil penalty of five thousand dollars (\$5,000.00). Samuel Aston, and SRA Development Corp. dba Westmark Homes shall, within thirty (30) days of the entry of this Order, provide an offer to rescind to all purchasers within the Subdivision, except those purchasers who subsequently sold their respective parcels. Before offering for sale, selling or transferring any lot or parcel other than to effect rescission as provided in this Order, Samuel Aston,

and SRA Development Corp. dba Westmark Homes, individually or with the other Respondents shall submit a substantively complete application for Public Report to the Department. George Balfre is jointly and severally assessed a civil penalty of four thousand dollars (\$4,000.00).

Cesar Cordova Jr. (Somerton)

File # 06F-LI-137, Consent Order 02/27/06

Cordova was granted a real estate salesperson's license on or about 05/09/01. That license expired on 05/31/05. Gerald C. Tams was the Designated Broker and dba Tams Real Estate Team. Tams Real Estate Team employed Cordova as a real estate salesperson. Cordova continued to conduct real estate activities that required an active license after his license expired, in violation of A.R.S §§ 32-2153 (A)(22), (B) (6), and 32-2122(B). Cordova's application for renewal of his real estate salesperson's license is granted, his license is suspended 60 days retroactive to 09/07/05, the day he ceased unlicensed activity. He is assessed a civil penalty of \$1,000.00.

Shelly Carter (Las Vegas, NV)

File # 06F-LI-159, Consent Order 03/02/06

On or about 08/05/05, Carter applied for an original salesperson's license. Carter admitted on her application that she had a misdemeanor conviction for DUI, in 02/03, in violation of A.R.S § 32-2153 (B)(2), and (B)(7). Carter is issued a 2-year provisional license, subject to specified terms and conditions.

Darlene L. Summers (Scottsdale)

File # 06F-LI-203, Consent Order 03/02/06

On 04/20/05, Summers applied for renewal of her salesperson's license. Summers admitted on her application that she had been convicted of misdemeanor DUI in 02/04, which is a violation of A.R.S § 32-2153 (B)(2) and (7). Summers did not timely notify the Department of that conviction. Summers is assessed a civil penalty of \$1,000.



## CONSENT ORDERS (Appealable Agency Action)

Neil A. Hettleman (Prescott)

File # 06F-LI-384, Consent Order 03/06/06

On or about 09/30/05, Hettleman applied for a salesperson's license. Hettleman admitted on his application that he had been convicted of a misdemeanor, Battery/DV, in 05/02, in violation of A.R.S § 32-2153 (B)(10). Hettleman is issued a 2-year provisional license, subject to specified terms and conditions.

**Bette J. Rathbun AKA Bette June Glover, and Cassandra Wymer AKA Cassandra King (Tucson)**

File # 06F-LI-068, Consent Order 03/06/06

Rathbun was granted a real estate broker's license on or about 09/01/94. That license expires on 07/29/87. King was granted a real estate broker's license on or about 04/30/04. That license expires on 04/30/06. On 07/20/05, Rathbun applied for renewal of her broker's license. Rathbun admitted on her application that she and King are the subjects of a pending investigation regarding trust account violations. On 09/15/05, the Department notified Rathbun of its intent to deny her renewal application. On 10/13/05, Rathbun timely filed with the Department a notice of her appeal. From 04/07/00 through 04/29/03, Rathbun was DB for Rathbun Realty, Inc. At the time of the CO, Rathbun was an associate broker for Rathbun Realty. At all times pertinent to these facts, King was a salesperson for Rathbun Realty, and signatory on Rathbun Realty's trust and business accounts. At the time of the CO, King was an associate broker for Rathbun Realty. On 04/23/03, or 04/24/03, an audit was completed of the Rathbun Realty trust account, which reflected shortages, which were labeled loans. Also evident during the audit was that payments were made from Rathbun Realty's business account and Sonoran Maintenance, Inc., to the trust account, to cover the loans. The trust and business accounts were held at Bank of America. A Department investigation began of Rathbun Realty. In 06/02, an electronic payment, made telephonically, in the amount of \$22,881.38 was made from the trust account to Advanta Bank Corp. Rathbun provided Advanta with preauthorization for this transfer to a third party. In 10/02, two electronic payments, made telephonically with preauthorization, were made in the amounts of \$11,939.13 and \$9,556.29, from the trust account to Advanta. A total of \$44,376.80 was converted from the trust account to the business account in violation of ARS 32-2151(B)(1). Rathbun was aware of the trust account shortage. From 03/02 to 12/02, a series of checks were issued

from the Business account and Sonoran Maintenance, Inc., to the Trust account. All of these checks issued to the Trust account were signed by King. There were indications that some of these checks were issued as reimbursement for the Advanta bill. According to Rathbun, Bank of America mistakenly made the transfers, although BOA has denied that there were any mistaken transfers. Rathbun commingled monies from the Business account and Sonoran account with the Trust account, in violation of ARS 32-2151(B)(2). King, as signatory, effectuated the commingling of monies between the various accounts. Rathbun and King failed to uphold their fiduciary duties by converting and commingling account funds, in violation of ARS §32-2153(A)(16), (22), and (B)(7), and A.A.C. R4-28-1101(A). Rathbun's real estate broker's license is Revoked. King's real estate broker's license is approved. King is issued a 2 year provisional license, subject to specified terms and conditions, including a Surety Bond in the amount of \$10,000. King is ordered to take 6 hours of continuing education, 3 hours in the category of Commissioners Rules regarding trust account violations.

Gary Hall (Glendale)

File # 06F-LI-004-REL, Consent Order 11/28/05

On 5/15/95, the Department issued Hall an original broker's license. That license was to expire on 5/31/05. On 5/17/05, Hall submitted an application for renewal of his broker's license. The Department denied Hall's application because he admitted on his application that the Arizona Registrar of Contractors had revoked several of the license's of Tatum Properties, L.L.C.'S, dba Tatum Custom Doors & Hardware for which he was the Qualifying Party, in violation of A.R.S § 32-2153 (A)(3)(22) and A.A.C. R4-28-301 (F). Hall admitted that the Residential Contractors' Recovery Fund on behalf of Tatum had made payouts. Hall did not timely notify the Department of the revocations or recovery fund payouts. Hall timely filed a notice of appeal. Hall's application for renewal of his broker license is approved and Hall is assessed a civil penalty of \$1,000.00. Hall must post a Surety Bond in the amount of \$7,500.00.



## CONSENT ORDERS (Appealable Agency Action)

Phyllis Hall (Glendale)

File # 06F-LI-005-REL, Consent Order 11/28/05

On 5/30/95, the Department issued Hall an original broker's license. That license was to expire on 5/31/05. On 5/17/05, Hall submitted an application for renewal of her broker's license. The Department denied Hall's application because she denied on her application that the Arizona Registrar of Contractors had revoked several of the license's of Tatum Properties, L.L.C.'S, dba Tatum Custom Doors & Hardware, for which Gary Hall admitted being the qualifying party, but admitted that she was a Member of Tatum, in violation of A.R.S § 32-2153 (A)(3)(22) and A.A.C. R4-28-301 (F). Hall denied that the Residential Contractors' Recovery Fund on behalf of Tatum had made payouts as the qualifying party, but admitted that she was a Member of Tatum. Hall did not timely notify the Department of the revocations or recovery fund payouts. Hall timely filed a notice of appeal. Hall's application for renewal of her broker license is approved and Hall must post a Surety Bond in the amount of \$7,500.00.

Darell K. Bervin (Phoenix)

File # 06F-LI-075-REL, Consent Order 11/25/05

On June 10, 2005, Bervin applied for a renewal of a salesperson's license. On 5/19/05, the Department denied that renewal. Bervin timely appealed. Bervin admitted on his application that he had been convicted in 1/05, of the misdemeanors of Possession of Fireworks and Possession of Alcohol, in violation of A.R.S § 32-2153 (B)(2) and (7). Bervin is issued a 2-year provisional license, subject to specified terms and conditions.

Gail Russell (Fountain Hills)

File # 06F-LI-085, Consent Order 11/15/05

Russell was granted a real estate salesperson's license on or about 4/13/93. That license expired on 4/30/03. Russell submitted an original application for a real estate salesperson's license on 7/12/05. Russell continued to operate as a salesperson after her license expired and after she failed to timely renew her license in 4/03. Russell executed 35 transactions while her license was expired, in violation of A.R.S §§ 32-2122 (B), and 32-2153 (A)(10) and (B)(6). Russell's application for renewal of her real estate salesperson's license is granted and she is assessed a civil penalty of \$10,000.00, with \$2,000.00 to ADRE and \$8,000.00 to the Education Revolving Fund.

Baron Hart Campbell (Scottsdale)

File # 06F-LI-081, Consent Order 12/12/05

On 7/21/05, Campbell applied for a real estate salesperson's license. On 9/21/05, the Department denied that application. Campbell timely appealed. Campbell admitted on his application that he had been denied a real estate license within the last 10 years, by Commissioners Final Order No. 03A-014, due to a 1999 misdemeanor conviction for Attempted Theft of a Credit Card, or Attempting to Obtain a Credit Card by Fraudulent Means, in violation of A.R.S § 32-2153 (B)(2), (7), and (10). Campbell is issued a 2-year provisional license, subject to specified terms and conditions.

Gary Steinback (Phoenix)

File # 06F-LI-244, Consent Order 12/09/05

Steinback was granted a real estate broker's license on or about 10/25/85. That license expired on 8/31/05. Steinback was the Designated Broker for DBSI Real Estate, LLC. Steinback continued to conduct real estate activities that required an active license after his license expired, in violation of A.R.S § 32-2153 (A)(21). Steinback's application for renewal of his real estate broker's license is granted, his license is suspended 30 days retroactive to November 11, 2005, the day he ceased unlicensed activity. He is assessed a civil penalty of \$1,000.00.

Robert A. Schneiter (Phoenix)

File # 06F-LI-229, Consent Order 12/2/05

On 10/19/05, Schneiter applied for a renewal of a salesperson's license. Schneiter admitted on his application that he had been convicted in 11/04, of Extreme DUI, a misdemeanor, in violation of A.R.S § 32-2153 (B)(2)(7) and A.A.C. R4-28-301 (F). Schneiter is issued a 2-year provisional license, subject to specified terms and conditions. Schneiter is assessed a civil penalty of \$2,000.00.

Edmund J. Gorny (Peoria)

File # 06F-LI-040, Consent Order 12/6/05

On 4/26/05, Gorny applied for a renewal of a broker's license. Gorny admitted on his application that he had been convicted in 3/04, of Reckless Driving, a misdemeanor, in violation of A.R.S § 32-2160.01 and A.A.C. R4-28-301(F). Gorny is assessed a civil penalty of \$1,000.00.

## CONSENT ORDERS (Appealable Agency Action)

Norman L. Gifford (Tempe)

File # 06F-LI-190, Consent Order 12/6/05

Gifford was granted a real estate broker's license on or about 6/14/99. That license expired on 6/30/05. On or about 3/21/02, Gifford became a self employed broker dba AZ Streets Realty. Gifford continued to conduct real estate activities that required an active license after his license expired, in violation of A.R.S § 32-2153 (A)(21). Gifford's application for renewal of his real estate broker's license is granted, and his license is suspended 45 days retroactive to 10/11/05, the day he ceased unlicensed activity. He is assessed a civil penalty of \$1,000.00.

Debra A. Garcia (Mesa)

File # 06F-LI-189, Consent Order 12/7/05

On or about 3/12/03, the Department issued a real estate salesperson license to Garcia. That license expired 3/31/05. Garcia attempted to renew by mail, but she forgot to include payment and the Department issued a deficiency letter, which was returned by the post office as Garcia failed to update her address with the Department. Joshua Call, and Call Realty, allowed Garcia to continue to be employed by Call Realty, to operate as a salesperson after her license expired and after she failed to timely renew her license, in violation of A.R.S § 32-2122 (B), and 32-2153 (A)(22), and (B)(6). Garcia's application for renewal of her real estate salesperson's license is granted and her license is suspended for sixty (60) days retroactive to 9/8/05. She is assessed a civil penalty of \$1,000.00.

Susan L. Geren (Laughlin, NV)

File # 06F-LI-404, Consent Order 12/7/05

On 7/6/05, Geren applied for a renewal of a broker's license. Geren admitted on her application that she had been disciplined in 4/04, by the Nevada Real Estate Commission, in violation of A.R.S § 32-2153 (A)(3), (B)(2), (10), and A.A.C. R4-28-301(F). Geren is assessed a civil penalty of \$1,000.00. Geren is issued a 2-year provisional license, subject to specified terms and conditions. Geren is required to complete 6 hours of Continuing Education regarding the Commissioners Rules and is required to post a Surety Bond in the amount of \$10,000.00.

Perry Skinner (Glendale)

File # 06F-LI-238, Consent Order 12/8/05

On 9/21/05, Skinner applied for a renewal of a salesperson's license. Skinner admitted on his application that he had been convicted in 7/04, of DUI, a misdemeanor, in violation of A.R.S § 32-2153 (A)(3), (B)(2) and (7) and A.A.C. R4-28-301(F). Skinner is assessed a civil penalty of \$2,000.00.

Melissa Lopez Miranda (Phoenix)

File # 06F-LI-228, Consent Order 12/8/05

On or about 9/19/05, Miranda applied for an original salesperson's license. Miranda admitted on her application that she had been convicted in 3/01, of a felony, Facilitation to Possess Marijuana For Sale, in violation of A.R.S § 32-2153 (A)(3), (B)(2) and (7). Miranda is issued a 2-year provisional license, subject to specified terms and conditions.

Stacy Hester (Phoenix)

File # 06F-LI-237, Consent Order 12/9/05

On or about 8/1/05, Hester applied for renewal of her salesperson's license. Hester admitted on her application that she had been convicted in 3/05, of a misdemeanor, Littering From a Vehicle, in violation of A.R.S § 32-2153 (A)(3), (B)(2) and A.A.C. R4-28-301(F). Hester is assessed a civil penalty of \$1,000.00.

Thomas Eldredge Fow Strong (Mesa)

File # 06F-LI-212, Consent Order 12/16/05

On or about 9/26/05, Strong applied for an original salesperson's license. Strong admitted on his application that he had been convicted in 12/03, of a misdemeanor, Disorderly Conduct, and in 01/02, he was convicted of the misdemeanor offense of Underage Consumption of Alcohol, in violation of A.R.S § 32-2153 (A)(3), and (B)(7). Strong is issued a 2-year provisional license, subject to specified terms and conditions, including a Sobriety Monitor and Bodily Fluid Testing.

Dwight Hawkins (Chandler)

File # 06F-LI-187, Consent Order 12/20/05

On or about 8/8/03, the Department issued a real estate salesperson license to Hawkins. That license expired 8/31/05. Joshua Call, and Call Realty, allowed Hawkins to continue to be employed by Call Realty, to operate as a salesperson after his license expired and after he failed to timely renew his license, in violation of A.R.S §§ 32-2122 (B), and 32-2153 (A)

## CONSENT ORDERS (Appealable Agency Action)

Continued from Page 25

22), and (B)(6). Hawkins' application for renewal of his real estate salesperson's license is granted. His license is suspended for 30 days retroactive to 10/13/05. He is assessed a civil penalty of \$500.00.

Aaron Sanchez (Surprise)

File # 06F-LI-226, Consent Order 12/22/05

On 9/16/05, Skinner applied for a renewal of a salesperson's license. Skinner admitted on his application that he had been convicted in 2/05, for Violation of a Court Order, a misdemeanor, in violation of A.R.S § 32-2153 (A)(3), (B)(2) and (7). Skinner is assessed a civil penalty of \$2,000.00. Sanchez is issued a 2-year provisional license, subject to specified terms and conditions.

Tamera Meisenheimer (Scottsdale)

File # 06F-LI-262, Consent Order 1/3/06

On or about 9/23/05, Meisenheimer applied for renewal of her salesperson's license. Meisenheimer admitted on her application that she had been convicted in 6/04, of a misdemeanor, Extreme DUI, in violation of A.R.S §32-2153 (A)(3), (B)(2), (B)(7) and A.A.C. R4-28-301(F). Meisenheimer is assessed a civil penalty of \$1,500.00 and is required to complete 6 hours of approved Continuing Education.

Shawn Campbell and Tierra Ridge Real Estate, Inc., dba GMAC Real Estate-Tierra Ridge Real Estate Services, Timothy Campbell and Tom Krause; Mason T. Lundell, and TGC Homes, LLC, Thomas Doucette and Doucette Flagstaff I and Premiere Acquisitions, LLC.

File #06-SD-366, Final Order 2/1/06

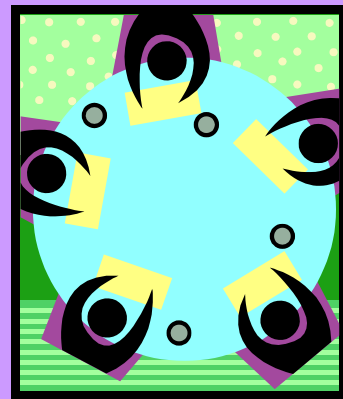
On April 30, 2004, the Department issued a Conditional Sales Exemption to Premiere for the sales of unimproved lots in the Subdivision, Presidio in the Pines, Flagstaff, AZ. On September 15, 2005, the Department issued the Public Report to Premiere for the sales of unimproved lots in the Subdivision. Between April 30, 2004 and October 18, 2005, TGC entered into one hundred twenty-five (125) conditional sales contracts for improved lots in the Subdivision without first being issued a public report or exemption by the Department.

Between April 30, 2004 and September 15, 2005 Doucette Flagstaff entered into one hundred and ten (110) conditional sales contracts for the sale of improved lots in the Subdivision without being issued a public report or exemption by the Department.

Premiere, as the original developer, assisted TGC and Doucette Flagstaff in the sales of improved lots in the Subdivision, by allowing TGC and Doucette, by allowing TGC and Doucette Flagstaff to use its Conditional Sales Exemption, which allowed for unimproved lots sale. Tierra Ridge, a licensed real estate company, was the listing or selling company involved in the transactions. Tierra Ridge Real Estate Inc., dba GMAC Real Estate-Tierra Ridge Real Estate Services, Shawn Campbell, Timothy Campbell and Tom Krause, are in violation of A.R.S. § 32-2164, § 32-2153(A)(3)(22). Tierra Ridge Real Estate Inc., dba GMAC Real Estate-Tierra Ridge Real Estate Services, Shawn Campbell, Timothy Campbell, Tom Krause, Mason Lundell, Premiere Acquisitions LLC, TGC Homes LLC, Thomas Doucette and Doucette Flagstaff I LLC., entered into conditional sales contracts without being issued a public report as required by A.R.S. §§ 32-2181(A) and 32-2183(F).

A civil penalty of One Hundred Fifty Thousand Dollars (\$150,000.00) is hereby assessed against each Respondent, jointly and severally. Respondents, jointly and severally, will pay Ten Thousand Dollars (\$10,000) to the Real Estate Education Fund. Respondents shall provide an offer to rescind to all purchasers or prospective purchasers.

(continued on page 26)



## CONSENT ORDERS (APPEALABLE AGENCY ACTION)

Continued from Page 25

### ORDERS OF SUMMARY SUSPENSION (Appealable Agency Actions)

Audrey D. Cox (AKA Audrey D. Anderson) (Phoenix)

File # 06F-LI-369, Final Order 02/09/06

Cox submitted a false application for her real estate license on April 22, 2005, denying that she had ever been convicted of any felony in Arizona or any other state. A subsequent fingerprint check revealed that Cox had been arrested and convicted of several felony counts in Oklahoma. On or about February 13, 2003, in The District Court Of Cleveland County, State Of Oklahoma, found Cox (Anderson), guilty of Unlawful Delivery of CDS (Ecstasy) Within 2000 Feet of a Park, a felony, and found Cox (Anderson), guilty of Unlawful Delivery of Synthetic CDS (Ecstasy) Within 2000 Feet of a Park, a felony, and found Cox (Anderson), guilty of Unlawful Possession of Synthetic CDS (Ecstasy) With Intent to Deliver Within 2000 Feet of a Park, a felony, and found Cox (Anderson), guilty of Unlawful Possession of Firearm During the Commission of a Felony, and found Cox (Anderson), guilty of Maintaining A Dwelling House Used to Keep or Sell a Controlled Drug, a felony, and found Cox (Anderson), guilty of Unlawful Possession of Marijuana, a misdemeanor, The court deferred final judgment and sentence and placed Cox on probation for five (5) years, until February 12, 2008.

The Department, finding that Respondent presents a threat to public health, safety or welfare and that such threat requires emergency action to suspend Cox's real estate license and that she has committed acts in violation of A.R.S. §§ 32-2153 (A)(3), (B) (1)(2)(3)(7), and (11), and A.A.C. R4-28-301 (A)(1), and that summary action to suspend Respondent's real estate salesperson's license is authorized under A.R.S. § 32-2157 (B) and (C), ordered that the real estate salesperson's license of Audrey D. Cox summarily suspended.☐





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**THE BULLETIN**

AN OFFICIAL PUBLICATION OF THE STATE OF ARIZONA,  
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